



**UNITED STATES DEPARTMENT OF EDUCATION**  
**THE OFFICE OF STUDENT FINANCIAL ASSISTANCE**  
**WASHINGTON, D.C. 20202**

February 29, 2000

Dear GA Partner:

As addressed in prior regional letters to your agency and as discussed during the NSLDS review sessions held in the Financial Analysis and Oversight Division (FAOD) regional offices, the Department of Education (ED) requested that lender reviews conducted on or after 1/1/2000, under 34 CFR 682.410(c)(1), concentrate on verifying certain specific data elements transmitted to the NSLDS. While the required scope is NSLDS "reconciliation," we are encouraging agencies to continue conducting compliance reviews in their traditional areas of lender administration.

During the NSLDS review sessions, an issue was raised regarding the definition of "on-site" as it is referred in regulation. The Department defines on-site to be the most appropriate "site" to conduct the review, whether it is at the lender site, the GA site, a Servicer site, etc. We feel that the Agency would be in the best position to determine the location(s) at which required records may be reviewed/accessed.

If you have further questions or need assistance in preparing for this compliance activity, please contact the Director of your cognizant Regional Office.

Sincerely,

Katrina Turner  
Acting Director  
Financial Analysis and  
Oversight Division  
Financial Partners

cc: FAOD Regional Directors